

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 06607 01 OF 02 112222Z

ACTION ARA-15

INFO OCT-01 ISO-00 SPTA-02 CIAE-00 DODE-00 PM-05 H-01

INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15

ICA-11 TRSE-00 OMB-01 HA-05 /077 W

-----082339 112239Z /75

R 112204Z SEP 78

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8837

INFO PANCANAL

USSOUTHCOM

C O N F I D E N T I A L SECTION 01 OF 02 PANAMA 06607

E.O. 11652:GDS

TAGS: PINT, PN

SUBJECT: PANAMA'S POLITICAL OUTLOOK A YEAR AFTER
TREATY SIGNATURE

SUMMARY: THE YEAR WHICH HAS PASSED SINCE PRESIDENT CARTER AND GENERAL TORRIJOS SIGNED THE CANAL TREATIES ON SEPTEMBER 7, 1977, HAS SEEN A STEADY IMPROVEMENT IN THE STATE OF POLITICAL LIBERTIES IN PANAMA. THIS IMPROVEMENT IS CONTINUING, THOUGH ONE SHOULD TAKE CARE NOT TO EXPECT TOO MUCH. TORRIJOS AND THE NATIONAL GUARD CLEARLY INTEND TO RETAIN A VETO POWER OVER POLICY; AND THE PERMANENCE OF REFORMS WILL BE IN DOUBT AS LONG AS ONE MAN RETAINS ULTIMATE POWER. BUT RECOGNIZING THAT FEW THINGS ARE CERTAIN IN THIS WORLD, AND LEAST OF ALL IN TORRIJOS' PANAMA, WE ARE MILDLY OPTIMISTIC THAT FURTHER LIBERALIZATION WILL LEAD TO A MORE DEMOCRATIC SYSTEM IN PANAMA. END SUMMARY.

1. PANAMA HAS BEEN UNDERGOING A GRADUAL, BUT FAIRLY RAPID POLITICAL TRANSFORMATION OVER THE PAST YEAR. THE SPEED AND DIRECTION OF THE CHANGE HAS SURPRISED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 06607 01 OF 02 112222Z

MOST OF US HERE, BOTH FOREIGNERS AND PANAMANIAN. SOME OTHER VERY IMPORTANT CHANGES -- A POLITICAL PARTIES LAW, MAJOR CONSTITUTIONAL AMENDMENTS TO CHANGE THE POLITICAL AND LEGISLATIVE STRUCTURE, THE PROBABLE ASCENSION OF ROYO TO THE PRESIDENCY -- ARE TO TAKE PLACE IN THE NEXT MONTH OR SO. SINCE WE ARE IN THE MIDST OF A RAPIDLY EVOLVING SCENE, IT IS A

SLIGHTLY AWKWARD TIME TO TRY TO PEER INTO THE FUTURE.
BUT THE SHARP CONTRAST BETWEEN PAST AND PRESENT IS A
HELP.

2. A YEAR AGO WE WERE LIVING IN A DIFFERENT -- AND LESS
ATTRACTIVE -- PANAMA. THOUGH PROGRESS IN THE TREATY
NEGOTIATIONS HAD ALREADY STRENGTHENED TORRIJOS'
POSITION SOMEWHAT, THE LEVEL OF POPULAR SUPPORT
FOR THE GOVERNMENT WAS STILL QUITE LOW. TORRIJOS'
TOOLS OF POLITICAL CONTROL INCLUDED EXILE OF OPPONENTS,
PROSCRIPTION OF PARTIES, EASY-GOING BUT EFFECTIVE
RESTRAINTS ON FREEDOM OF EXPRESSION, AND ABOVE
ALL THE NATIONAL GUARD UNITED BEHIND A GOVERNMENT
WHICH GAVE LITTLE OPPORTUNITY FOR OUTSIDERS (ESPECIALLY
DISSIDENTS) TO MAKE THEIR WEIGHT FELT. MANY
PANAMANIAN WERE AFRAID TO DISCUSS SERIOUS MATTERS ON
THE PHONE. IT DID NOT SEEM ODD WHEN ANTI-TORRIJOS
POLITICIANS TURNED UP THE RADIO WHEN DISCUSSING POLITICS
IN THEIR HOMES WITH EMBASSY OFFICERS. AN AMBASSADOR
WITH RECENT EXPERIENCE IN EASTERN EUROPE SAID -- WITH
SOME EXAGGERATION, NO DOUBT -- THAT THE MOOD WAS A
LITTLE LIKE THAT IN THE BLOC. THROUGH PANAMA NEVER
APPROACHED THE POLICE-STATE ATMOSPHERE WHICH SOME TREATY
OPPONENTS ASCRIBED TO IT, IT WAS TRUE THAT (1) THE
EXERCISE OF POLITICAL POWER WAS A MONOPOLY OF TORRIJOS,
THE NATIONAL GUARD, AND THOSE THEY CHOSE TO SHARE IT
WITH, (2) THAT THERE WERE NO EFFECTIVE INSTITUTIONAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 06607 01 OF 02 112222Z

MEANS FOR TRANSFERRING POWER TO ANY OTHER GROUP, AND
(3) PUBLIC CRITICISM OF TORRIJOS AND HIS REGIME WAS
ALMOST COMPLETELY ABSENT. (ELEMENTS OUTSIDE THE
GOVERNMENT SUCH AS BUSINESS AND STUDENTS DID, OF
COURSE, INFLUENCE THE GOVERNMENT. SEE A-10 OF FEB. 8,
1978, FOR A DISCUSSION OF INSTITUTIONAL INFLUENCES
ON THE GOVERNMENT.)

3. THIS RATHER LUGUBRIOUS PICTURE BEGAN TO CHANGE SOON
AFTER THE TREATY SIGNING. DURING THE PLEBISCITE CAMPAIGN,
THE PRESS WAS OPENED UP FOR ALL; AND FREEDOM OF EXPRESSION
BLOSSOMED. TOWARD THE END OF THIS NATIONAL DEBATE, THE
OPPOSITION FOUND THAT IT HAD LESS ACCESS TO THE PRESS
THAN IT HAD EARLIER IN THE CAMPAIGN; BUT ON BALANCE,
THE ATMOSPHERE SURROUNDING THE DEBATE WAS ONE OF FAIRNESS
AND OPENNESS. SOON AFTER THE PLEBISCITE, OPERATING
UNDER PRESSURE FROM VISITING U.S. SENATORS, TORRIJOS
PROMISED A VARIETY OF REFORMS. MOST OF THEM HAVE BEEN
CARRIED OUT. REPRESSIVE LAWS WERE REPEALED, THE EXILES
WERE ALLOWED TO RETURN, AND (WHILE THE PRESS IS STILL
SUBJECT TO GOVERNMENT GUIDANCE) MUCH GREATER FREEDOM
OF DISCUSSION WAS PERMITTED. (IN OUR TIMEFRAME, FEAR
OR ARBITRARY ARREST, TORTURE, ETC., HAVE NOT BEEN A

SIGNIFICANT FACTOR, THOUGH THERE WAS A REAL FEAR OF EXILE AMONG THE GOVERNMENT'S OPPONENTS AS RECENTLY AS A YEAR AGO.) ARNULFO ARIAS IS NOW LIVING IN PANAMA AND DOING ALL HE CAN TO LOOSEN TORRIJOS' HOLD ON POWER.

4. THE OUTLOOK FOR FURTHER LIBERALIZATION IS PROMISING. AN EQUITABLE LAW ON POLITICAL PARTIES AND A MORE DEMOCRATIC SYSTEM OF LAW-MAKING ARE EXPECTED TO BE APPROVED VERY SOON. THE NEW LEGISLATURE, NOW A PART OF THE EXECUTIVE, WILL HAVE CONSIDERABLY GREATER

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PANAMA 06607 02 OF 02 112230Z

ACTION ARA-15

INFO OCT-01 ISO-00 SPTA-02 CIAE-00 DODE-00 PM-05 H-01

INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15

ICA-11 TRSE-00 OMB-01 HA-05 /077 W

-----082365 112240Z /75

R 112204Z SEP 78

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8838

INFO PANCANAL

USSOUTHCOM

C O N F I D E N T I A L SECTION 02 OF 02 PANAMA 06607

AUTONOMY -- AT LEAST IN THEORY. IN PRACTICE, THERE MAY NOT BE TOO MUCH DIFFERENCE, SINCE THE NEW LEGISLATORS ARE LIKELY TO BE CHOSEN FROM THE NATIONAL ASSEMBLY OF COMMUNITY REPRESENTATIVES, WHICH IS ALMOST CERTAIN TO BE MADE UP PRIMARILY OF GOVERNMENT SUPPORTERS. TORRIJOS HAS PROMISED POPULAR ELECTION OF THE PRESIDENT IN 1984, AND SOME THINK THE CONSTITUTION MIGHT BE AMENDED TO BRING THAT ELECTION FORWARD SEVERAL YEARS.

IN BRIEF, THE PANAMA WE ARE LOOKING AT NOW IS A FAR CRY FROM THE "DICTA-BLANDA" WHICH EXISTED A SHORT YEAR AGO. IN SOME IMPORTANT RESPECTS, OF COURSE, NOTHING MUCH HAS CHANGED. TORRIJOS STILL CALLS THE SHOTS, AND TO A GREAT EXTENT THAT IS MOST UNLIKELY TO CHANGE IN THE MONTHS AND YEARS AHEAD. CRITICS OF THE REGIME POINT OUT THAT WHAT TORRIJOS HAS GIVEN, TORRIJOS CAN TAKE AWAY. THERE ARE FEW, IF ANY, EFFECTIVE CHECKS AND BALANCES ON HIM AND HIS GUARD COLLEAGUES.

6. TORRIJOS' RECENT ANNOUNCEMENT THAT HE IS RETIRING

TO THE BARRACKS DESERVES THE SKEPTICISM IT HAS
ENGENDERED. HE HAS BEEN EXPLICIT IN INDICATING THAT
HE AND THE NATIONAL GUARD WILL KEEP A SUFFICIENT
INTEREST IN THE GOVERNMENT TO GUARANTEE THAT THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 06607 02 OF 02 112230Z

NEXT ADMINISTRATION WILL NOT STRAY FROM THE PATH OF
THE "REVOLUTION," I.E. HIS POLICIES. WE ALSO DOUBT
THAT THE GUARD'S OVERRIDING POWER IN POLITICS AND
GOVERNMENT IN THE INTERIOR OF THE COUNTRY WOULD BE
MUCH ALTERED IN A ROYO ADMINISTRATION, THOUGH IT MIGHT.
ON BALANCE, HOWEVER, FROM THE EVIDENCE NOW AT HAND, IT
APPEARS THAT TORRIJOS IS PLANNING TO GIVE ROYO CONSIDER-
ABLE FREEDOM OF ACTION, ON THE UNDERSTANDING THAT NO
IMPORTANT DECISIONS ARE TO BE TAKEN WITHOUT TORRIJOS'
APPROVAL. ONLY TIME WILL TELL.

7. IN OUR JUDGMENT, TORRIJOS' DECISION TO LIBERALIZE
PANAMA HAS STRENGTHENED HIS POLITICAL POSITION. BEFORE
THIS ESCAPE VALVE WAS INSTALLED, THE PRESSURE WAS
BUILDING UP. STUDENT VIOLENCE, BUSINESS RESENTMENT
AND A GENERAL MALAISE WERE UNDERMINING TORRIJOS'
POSITION DURING THE YEARS PRIOR TO TREATY SIGNING.
THIS POLITICAL SHAKINESS, COUPLED WITH SERIOUS ECONOMIC
AND FINANCIAL DIFFICULTIES, LED SOME OBSERVERS HERE TO
DOUBT THE MEDIUM-TERM STABILITY OF THE REGIME AS
RECENTLY AS A YEAR AND A HALF AGO. THE TREATY AND AN
INCIPIENT BUSINESS UPTURN (PLUS THE COMPLAISANCE OF THE
BANKERS) HAVE TAKEN SOME OF THE HEAT OFF ON THE ECONOMIC
SIDE; AND THE LIBERALIZATION HAS HELPED TO RELIEVE
POLITICAL PRESSURE. THE PANAMANIAN GOVERNMENT IS TRYING
TO TURN TREATY-IMPLEMENTATION INTO A UNIFYING NATIONAL
TASK. IF THIS WORKS, IT MAY ADD TO STABILITY, DIVERTING
ENERGIES FROM MORE DIVISIVE ACTIVITIES.

8. FOR NOW, THE WISE COURSE WOULD SEEM TO BE TO WATCH
WITH CARE WHAT HAPPENS HERE IN THE NEXT MONTH OR TWO.
IT MAY REPEAT MAY JUST BE THE BEGINNING OF THE ESTABLISH-
MENT OF A WORKING DEMOCRACY IN PANAMA. THERE IS MORE
THAN ONE JOKER IN THE DECK, HOWEVER. ONE IS TORRIJOS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 06607 02 OF 02 112230Z

HIMSELF. A CAREFUL STUDY OF HIS CAREER FAILS TO REVEAL
ANY ABIDING DEVOTION TO DEMOCRACY, TO THE PARTY SYSTEM
OR TO THE CONCEPT OF A LOYAL OPPOSITION. HE HAS MANY
OF THE CHARACTERISTICS OF A CLASSICAL LATIN AMERICAN
CAUDILLO; IT IS NOT A TYPE WHICH ORDINARILY SPAWNS

DEMOCRACIES. THE SECOND JOKER IS PANAMA ITSELF.
PANAMA HAS HAD THE FORMS OF A LIBERAL DEMOCRACY THROUGH
MOST OF ITS HISTORY; BUT MOSTLY IT HAS BEEN GOVERNED
BY AN OLIGARCHY, WHICH WAS OFTEN SUSTAINED BY FRAUD.
FINALLY, PANAMA HAS ECONOMIC AND POLITICAL PROBLEMS --
UNEMPLOYMENT, STUDENT UNREST, ARNULFO ARIAS, ETC. --
WITH A CAPACITY TO MAKE TROUBLE FOR AN EMBRYONIC
DEMOCRACY.
9. ON BALANCE, WITH A BOW TO PANAMA'S PECULIAR BRAND
OF HUMAN FRAILTIES, WE ARE MILDLY OPTIMISTIC ABOUT THIS
COUNTRY'S PROSPECTS FOR EVOLVING TOWARD A MORE DECENT
AND DEMOCRATIC POLICY OVER THE NEXT FEW YEARS. DIKEOS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SITUATION, POLITICAL SUMMARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PANAMA06607
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780370-0270
Format: TEL
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780981/aaaacpqj.tel
Line Count: 236
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5e9be852-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1485326
Secure: OPEN
Status: NATIVE
Subject: PANAMA'S POLITICAL OUTLOOK A YEAR AFTER TREATY SIGNATURE SUMMARY: THE YEAR WHICH HAS PASSED SINCE PRESIDENT
TAGS: PINT, PN
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/5e9be852-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014